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Summary record of the 26th meeting
Held at Headquarters, New York, on Tuesday, 8 March 2016, at 10 a.m.

Chair: Mr. Bhattarai ..... (Nepal)
later: Mr. Goren (Vice-Chair) ..... (Israel)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

Contents

Agenda item 132: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Accountability system in the United Nations Secretariat

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The meeting was called to order at 10.05 a.m.

Agenda item 132: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Accountability system in the United Nations Secretariat (A/70/668 and A/70/770)

1. **Mr. Takasu** (Under-Secretary-General for Management), introducing the Secretary-General's fifth progress report on the accountability system in the United Nations Secretariat (A/70/668), said that the report, which described the measures taken and planned by the Secretary-General to strengthen the accountability system in response to General Assembly resolution 69/272, was organized around three key concepts embedded in the accountability system of the Secretariat: performance and results, the obligation of the Secretariat to deliver results; stewardship of resources, the Secretariat's responsibility as the protector and guardian of the resources entrusted to it; and compliance, the commitment of the Secretariat to implement its activities in accordance with all regulations, rules, policies and procedures. The report also described "enablers", namely, the International Public Sector Accounting Standards (IPSAS) and Umoja, as the platforms on which a more accountable and efficient United Nations was being built.

2. Umoja was critical in that regard. The business intelligence the system generated would make operations more transparent in terms of resource utilization, and the tools it made available would help in managing the Organization in a more accountable manner.

3. In its resolution 69/272, the General Assembly had requested the Secretary-General to identify appropriate methods and tools to portray the efficiency with which the Secretariat undertook its work. While measuring efficiency was relatively straightforward for an entity that produced quantifiable goods and services, it was more complex for the United Nations, with its wide variety of mandates and operations, from conference servicing and analytical work to political mediation and peacekeeping. There were limitations in measuring efficiency at the results or impact level; accordingly, the Secretariat proposed to continue to measure efficiency at the level of outputs and processes, which were more within its control, as a more objective standard. The Secretariat would continue to lay the foundations for the effective implementation of results-based management, and would improve both the logical frameworks to focus more on impact and results and the preparation of the biennial programme performance report.

4. There had been significant progress in implementation of enterprise risk management over the past two years, making the Organization a front runner in the United Nations system, as a result of the leadership of the Secretary-General and the critical role played by the Management Committee in ensuring active senior management engagement and participation.

5. In July 2015, the Management Committee had approved risk treatment and response plans developed by corporate risk owners in respect of six critical risks. Working groups were implementing related action plans. Under the guidance of corporate risk owners, working groups were also monitoring the work of risk treatment teams, the effectiveness of agreed actions in mitigating risks, and the evolving risk profile of the Organization, with periodic reporting to the Management Committee.

6. Within the accountability system, while the Organization was strong in terms of institutional accountability, greater focus was needed on personal accountability: performance management for the staff at large, compacts for senior managers, and strict disciplinary action in the event of misconduct. A policy on accountability for conduct and discipline in field missions had been adopted by the Departments of Political Affairs, Peacekeeping Operations and Field Support in August 2015 and now applied to all peacekeeping and special political missions.

7. The Secretariat was actively engaged in the preparation of an anti-fraud framework providing comprehensive guidance on how to prevent, recognize and address fraudulent acts. The framework would explain the responsibilities of staff members and other United Nations personnel and establish principles to which third parties in contractual arrangements with the Secretariat, including vendors, suppliers and implementing partners, must adhere. It would reiterate the zero-tolerance approach to fraudulent acts by the Secretariat; include a definition of fraud and corruption as they applied to the Secretariat; set out the responsibilities of every concerned actor, from the Secretary-General downward, with regard to the

framework; and indicate the fraud prevention measures in place.

8. The report also showed the positive trend in implementing high-risk recommendations by the Board of Auditors and the Office of Internal Oversight Services (OIOS), an improvement attributable to the proactive role of the Management Committee in following up on implementation of critical recommendations by programme managers, continuous engagement with oversight bodies, and prompt action by managers and oversight bodies' focal points.

9. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/70/770), said that the Advisory Committee had previously formulated extensive observations and recommendations on the different aspects of the accountability framework and addressed a wide range of operational matters and initiatives. It acknowledged the progress made by the Secretariat in establishing a viable accountability framework and recommended that additional measures should be introduced to ensure improved institutional and personal accountability.

10. In its report, the Advisory Committee addressed the accountability framework's four underlying concepts: monitoring and oversight mechanisms; measuring organizational activities and processes; evaluating outcomes; and operationalizing and enforcing a credible personal and institutional accountability framework. An accountability framework must include guidance on the prevention, identification and handling of fraud and corruption, as well as prescribed parameters to identify possible operational irregularities which, if necessary, would trigger corrective action. It must also include a policy for the protection of whistle-blowers. The Advisory Committee expected the Secretary-General to provide a status update on the anti-fraud framework currently under development in conjunction with consideration of the reports now before the Fifth Committee.

11. An effective system of accountability also depended on full and timely implementation of the recommendations of external and internal oversight bodies and of the resolutions of the General Assembly, and on proper measurement of the Organization's efficiency and effectiveness, based on clear and realistic indicators, with a view to presenting a comprehensive picture to help in the management and stewardship of the Organization.

12. The credibility of the accountability framework rested on the Organization's ability to operationalize and enforce remedial measures for staff and officials who had not adequately exercised their responsibilities. As further work was needed in that regard, the Advisory Committee recommended that the General Assembly should request the Secretary-General to develop a clear, transparent and precise set of parameters, aimed at defining responsibility areas, particularly for senior managers, in the event of non-compliance with their responsibilities.

13. *Mr. Goren (Israel), Vice-Chair, took the Chair.*

14. **Ms. Wairatpanij** (Thailand), speaking on behalf of the Group of 77 and China, said that an accountability system was a priority. Noting that the General Assembly, in its resolution 64/259, had defined accountability as the obligation of the Secretariat and its staff members to be answerable for all decisions made and actions taken by them, and to be responsible for honouring their commitments, without qualification or exception, and that accountability included achieving objectives and high-quality results in a timely and cost-effective manner, in fully implementing and delivering on all mandates to the Secretariat approved by United Nations intergovernmental bodies, the Group reiterated the importance of the responsibilities of senior managers and heads of department.

15. The Group took note of the progress in the creation of structures and systems underpinning the accountability system designed to provide management and legislative bodies with accurate information for the implementation of accountability measures. The Group was concerned, however, by the low rate of implementation of recommendations of oversight bodies with regard to accountability — such implementation being an essential part of the system of accountability. External and internal oversight mechanisms had an indispensable role through regular audit reviews, which often highlighted operational deficiencies and strengthened the performance of managers by monitoring the activities for which they were accountable.

16. Regarding the anti-fraud framework, the Group emphasized its full support for zero tolerance of any fraudulent acts. In order to effectively monitor

organizational activity, an agreed definition must be in place, with proper guidance on the prevention and handling of fraud and corruption, including a clearly defined policy for the protection of whistle-blowers. The United Nations Chief Executives Board for Coordination (CEB) would be best placed to develop such guidance so as to achieve consistent application across all organizations of the United Nations system. The Secretary-General should finalize the revision of the policy against retaliation, which should be separate and distinct from mechanisms for handling staff grievances and interpersonal disputes, in order to provide protection for whistle-blowers.

17. Procurement remained one of the highest risk areas for the Organization. She welcomed the training activities by the Procurement Division, which should be mandatory for all relevant staff. The Secretary-General should strengthen those activities by providing the necessary resources and fostering awareness of their importance.

18. Monitoring the implementation of General Assembly resolutions on administrative and budgetary matters would be a useful accountability tool. Such a Secretariat-wide tracking mechanism would help to ensure that resolutions were implemented. The information currently contained in individual, subject-specific, reports relating to implementation of provisions adopted by the General Assembly should be reported periodically to the Assembly in a consolidated manner, in the context of progress reports on the accountability system.

19. The Group would seek clarification from the Secretariat regarding the implementation of results-based management, in particular with respect to the mandate to implement the proposal of the Office of Programme Planning, Budget and Accounts on the improvement of logical frameworks to focus on impact and results, taking into account the conclusions and recommendations in the report of the Committee for Programme and Coordination on its fifty-fifth session (A/70/16).

20. The Group was concerned that the third evaluation under the self-evaluation pilot programme by the Department of Management had not been conducted, and that the Department had no intention of replicating the model or recommending it to other departments and offices. Oversight bodies had repeatedly emphasized the importance of creating a culture of evaluation and self-evaluation in the Secretariat. The General Assembly had also repeatedly stressed that a strong evaluation function was a critical tool for assessing the Organization's performance, enhancing accountability, and achieving better results and management performance.

21. Implementation of an effective accountability system — which the Group was supportive of in the interest of improved management of financial and human resources — was an ongoing exercise; an annual progress report to the General Assembly was therefore necessary.

22. **Mr. de Preter** (Observer for the European Union) said that the European Union welcomed the initiatives undertaken to embed a strategic approach to accountability, the preparation of an anti-fraud framework, and the added value generated by the enterprise risk management framework. He noted the steps taken by the Management Committee to clearly define ownership for each of the Organization's top risks among the senior leadership. Holding senior managers accountable for the delivery of results, not just outputs, remained a work in progress, with more needing to be done to promote and mainstream a real culture of accountability.

23. The credibility of the accountability framework rested on the ability of the Organization to operationalize and enforce measures in respect of staff who had not adequately exercised their responsibilities. The effective use of resources, which had a direct impact on the delivery of mandates, was central to any system of accountability.

24. **Mr. Dettling** (Switzerland), speaking also on behalf of Liechtenstein, said that the siloed structure of the Organization was one of the most significant obstacles hindering attainment of its strategic and operational objectives in an efficient and effective manner. Implementation of a responsible management system based on accountability and subject to reliable internal control mechanisms was a prerequisite for countering internal fragmentation. Further efforts to modernize the management of the Organization were essential if the ambitious targets defined in the 2030 Agenda for Sustainable Development were to be attained.

25. Regarding enterprise risk management, the two delegations welcomed the adoption of risk treatment and response plans by the Management Committee.

Assessments of institutional risks at the Secretariat-wide level were an essential management tool; they should be conducted on a regular basis and adapted to the continuously evolving and inherently volatile environments in which the Organization operated. The two delegations also welcomed the implementation of the pilot project in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) and were interested in the identified key lessons and best practices. The Secretary-General should further develop and mainstream the instrument across the Organization.

26. He regretted that progress in results-based management lagged behind expectations despite longstanding efforts. He encouraged the Secretary-General to act with greater conviction. Improved organizational capacity for monitoring, reporting and evaluation were key elements in achieving results-based management.

27. With regard to stewardship of funds, the two delegations welcomed the preparation of an anti-fraud framework. In the light of recent events, most notably the allegations of bribery concerning the former President of the General Assembly, it was important to renew the Organization's commitment to zero tolerance of fraudulent acts.

28. United Nations-led peacekeeping operations remained one of the most important tools at the disposal of the international community to protect civilians in situations of conflict. In order to preserve their critical role in averting large scale loss of civilian life and retain the trust of victims and local civilian populations, it was essential for peacekeepers who committed crimes against vulnerable local populations to be held accountable. In that regard, he welcomed the recommendations emanating from the independent review panel on sexual exploitation and abuse by international peacekeeping forces in the Central African Republic as well as those of the High-level Independent Panel on Peace Operations.

29. The two delegations hoped that the Secretary-General would follow-up on those recommendations in a comprehensive manner. Failure to act in cases of serious abuse put at risk the credibility and viability of peacekeeping operations and — by association — put in jeopardy the reputation of the overwhelming majority of peacekeepers who upheld the highest standards of humanity.

30. Lastly, the two delegations reiterated their proposal that the agenda item should no longer be dealt with by the Fifth Committee on an annual basis, but biennially, given the Committee's increased workload. Moving towards greater accountability was a continuous process, and progress would be much more discernible with a two-year gap between reports. The two delegations would continue to advocate for the biennialization, or even triennialization, of reports or whole agenda items, as appropriate.

31. **Ms. Norman Chalet** (United States of America) said that establishing and mainstreaming accountability measures to improve personal accountability and deliver results was critical to the long-term viability of the Organization. Her delegation commended the efforts to implement results-based management, key to which were the improvements planned for the 2018-2019 strategic framework focusing on impact and results. Nevertheless, more could be done to create a culture of performance, in part through increased monitoring and evaluation. With regard to monitoring, she sought clarification of the Advisory Committee's proposal in its report to more comprehensively monitor the status of implementation of General Assembly resolutions.

32. There had been notable progress in enterprise risk management, including improvements in strategic planning and the coordination of transformation initiatives. While embedding enterprise risk management throughout the United Nations was a continuous process, her delegation advocated for its timely implementation. She requested further details of the pilot project in MONUSCO.

33. With regard to the enablers, IPSAS and Umoja, identified by the Secretary-General as key foundations of an accountability framework, mere implementation of those systems was not sufficient. The regular review and analysis of programmatic and financial information to inform strategic planning must become a cultural norm. While the Secretariat's list of data-driven benefits was encouraging, she concurred with the Advisory Committee that further efforts were needed to define and measure the Organization's efficiency and effectiveness in a tangible manner. In particular, her delegation wished to see cost savings as a measurable benefit in the near-to-medium term. The Secretariat should focus on the business intelligence function of Umoja, using data analysis to reshape the Secretariat's planning process. The goal should be to

provide managers with dashboards so they had clear visibility over the resources they managed, could easily see trends and anomalies, and were better enabled to make strategic decisions. Continued employee training was one method of cementing such a cultural shift.

34. She noted the Advisory Committee's view in its report regarding the need to link individual responsibilities with organizational activities, and agreed that the Secretariat's ability to operationalize and enforce remedial measures was fundamental to the success of any accountability framework. Her delegation sought further progress in the ongoing efforts to promote and improve performance management and senior managers' compacts, as personal accountability was of paramount importance.

35. With regard to the development of the anti-fraud framework, she requested more information than provided in the reports before the Committee, such as the definition of fraud and corruption, the mechanism for reporting fraud, the development of an anti-fraud training course by the Ethics Office, and the protections available to staff members who reported allegations. She agreed with the Advisory Committee that the revised whistle-blower protection policy should be finalized and that the revision of the policy should be separate and distinct from mechanisms for handling staff grievances and interpersonal disputes. Additionally, her delegation remained deeply interested in the issue of accountability in field missions, especially as it related to conduct and discipline and sexual exploitation and abuse.

36. **Ms. Iwatani** (Japan) said that her delegation attached great importance to strengthening accountability in the United Nations Secretariat, and welcomed the progress made in establishing structures and systems which, if utilized as intended, could provide management and governing bodies with elements of a viable accountability framework. Nevertheless, additional practical measures were needed to ensure progress in terms of institutional and personal accountability.

37. With regard to the steps taken in respect of enterprise risk management and results-based management, presented as being within approved resources, she asked what initiatives, if any, would potentially require additional resources.

38. In its resolution 69/272, the General Assembly had requested the Secretary-General to provide a detailed plan, with a fixed time frame and clear milestones, for the implementation of results-based management. She looked forward to development of such a plan, following the completion of the design of Umoja Extension 2.

39. Her delegation shared the Advisory Committee's concern that the Secretary-General had not yet taken steps to refine and revise the policy against retaliation to provide protection for whistle-blowers, following the external expert review in 2014. Revision of the policy should be finalized without further delay.

40. Noting the comment by the Advisory Committee that the risk treatment and response plans lacked operational precision and did not include a response plan holding senior managers accountable for the risks associated with their areas of responsibility, her delegation would welcome additional information on a concrete time frame for those plans, as well as on the implementation of enterprise risk management under way in five field entities.

The meeting rose at 10.45 a.m.